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RE: **Semiannual Compliance Reports for the Pampa, Canal, and Ville Platte Plants, for Reporting Period:
March 11, 2014 – June 30, 2014**

Dear Madam or Sir,

In compliance with Section XII, Paragraph 49 of the Consent Decree between the United States of America, Louisiana Department of Environmental Quality, and Cabot Corporation, Cabot is hereby submitting Semiannual Compliance Reports for the above-referenced plants and reporting period.

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Best Regards,

Martin O'Neill

Senior Vice President – Safety, Health and Environment

cc: Gerard Caron, Cabot Corporation
Bart Cassidy, Manko, Gold, Katcher & Fox, LLP

**CABOT CORPORATION
USEPA-LDEQ-CABOT CONSENT DECREE
SEMIANNUAL COMPLIANCE REPORT**

PAMPA PLANT

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a. A description of the construction of the Control Technologies, CEMS, and PM Early Warning Systems required by this Consent Decree, including:

- i. If construction is not underway, any available information concerning the construction schedule and the execution of major contracts.*

Construction of Control Technologies and CEMS has not commenced. The current projection for the construction schedule and execution of major contracts is as follows:

❖ Construction Schedule:

- o Front End Engineering & Design - 6/2014 through 2/2015
- o Equipment fabrication - 6/2015 through 2/2016
- o Detailed Engineering - 3/2015 through 5/2015
- o Construction - 12/2015 through 6/2016
- o Start - up / Commissioning / Testing and Qualification - 7/2016 through 2/2017
- o Compliance - 3/11/2017

❖ Execution of Major Contracts:

- o Major Equipment – 8/2014
- o CEMS – 8/2015
- o Detailed Engineering – 1/2015
- o Construction Packages – beginning 8/2015

- ii. If construction is underway, the estimated percent of installation as of the end of the reporting period, the current estimated construction completion date, and a brief description of completion of significant milestones during the reporting period.*

Construction is not currently underway.

- iii. Any information indicating that installation and commencement of operation may be delayed, including the nature and cause of the delay.*

No delays are currently expected.

- iv. Once construction is complete, provide the dates the equipment was placed in service and/or commenced Continuous Operation and the dates of any testing that was performance during the period.*

Construction is not currently underway.

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b. All information necessary to demonstrate compliance with all applicable Emissions Limits, 30-day Rolling Average Sulfur Content Weight Percent, 365-day Rolling Average Sulfur Content Weight Percent, and other provisions in Sections VI (SO₂ Control Technology, Emissions Limits, and Monitoring Requirements), VII (NO_x Control Technology, Emissions Limits, and Monitoring Requirements) and VIII (PM Control Technology, Emissions Limits, Best Management Practices, and Early Warning System Requirements)

- *Paragraph 21 – Other SO₂ Requirements*

Compliance with these limits is not required until December 31, 2014.

- *Paragraph 22 – Feedstock Sulfur Content Monitoring Requirements*

Compliance with this limit is not required until December 31, 2014.

- *Paragraph 26 - NO_x Process System Operation Emissions Limits and Control Technology*

Compliance with these requirements is not required until three (3) years from the Effective Date of the Consent Decree, specifically no later than March 11, 2017.

- *Paragraph 27 - SCR Design Specifications*

Submittal of design specifications for the SCR is not required until 30 months prior to installation, specifically no later than September 11, 2014.

- *Paragraph 28 - NO_x Alternative Equivalent Pollution Control Technology*

If the NO_x Alternative Equivalent Pollution Control Technology is elected, compliance with these requirements is not required until three (3) years from the Effective Date of the Consent Decree, specifically no later than March 11, 2017, provided that a written request is made by September 11, 2014 and written approval is obtained.

- *Paragraph 29 - NO_x Monitoring Requirements*

Compliance with these requirements is not required until three (3) years from the Effective Date of the Consent Decree, specifically no later than March 11, 2017.

- *Paragraph 32 and Appendix B - Other PM Control Requirements*

Cabot achieved full compliance with all of these requirements at all times throughout the reporting period. More specifically:

- ❖ For each PM Emissions Equipment unit, Cabot employed the required PM Reduction Mechanism and Method for Managing PM Emissions specified in the Consent Decree Appendix B.
- ❖ For each PM Emissions Equipment unit, Cabot completed the required daily visual assessments each day.

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- ❖ For each PM Emissions Equipment unit, no visible emissions were observed during any of the required daily visual assessments. Accordingly, Cabot was not required during this reporting period to perform any six-minute Method 9 observations in response to an observation of visible emissions during the required daily visual assessments.
- ❖ For each PM Emissions Equipment unit, Cabot developed and maintained a record of the results of each of the required daily visual assessments.

- *Paragraph 33 and Appendix C - Particulate Emissions Best Management Practices Control Plan*

Cabot achieved full compliance with all of these requirements at all times throughout the reporting period. The Particulate Emissions Best Management Practices Control Plan was implemented and followed as set forth in Appendix C.

- *Paragraph 34 and Appendix D - PM Early Warning System*

Compliance with these requirements is not required until 365 days from the Effective Date of the Consent Decree, specifically no later than March 11, 2015.

- c. All data collected for each Pampa Process System, from the time any 30-day Rolling Average Sulfur Content Weight Percent and/or 365-day Rolling Average Sulfur Content Weight Percent is exceeded until compliance is achieved, and an explanation of any periods of downtime of any relevant equipment that prohibited the collection of such data**

- *Paragraph 21 – Other SO₂ Requirements*

Compliance with the 30-day and 365-day rolling average sulfur content weight percent limits for the Pampa Process System is not required until December 31, 2014.

- *Paragraph 22 – Feedstock Sulfur Content Monitoring Requirement*

Compliance with these requirements is not required until December 31, 2014.

- d. All CEMS data collected for each Process System, from the time any Emissions Limit in Sections VI (SO₂ Control Technology, Emissions Limits, and Monitoring Requirements) and VII (NO_x Control Technology, Emissions Limits, and Monitoring Requirements) is exceeded until compliance is achieved, and an explanation of any periods of downtime of such CEMS.**

- *Paragraph 29 - NO_x Monitoring Requirements*

Compliance with these requirements is not required until three (3) years from the Effective Date of the Consent Decree, specifically no later than March 11, 2017.

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- f. All PM Early Warning System data collected, from the time a PM Early Warning System alarm is triggered until the PM Early Warning System data have returned to normal operating ranges, below levels triggering an alarm condition, and an explanation of any periods of PM Early Warning System downtime**

Compliance with these requirements is not required until 365 days from the Effective Date of the Consent Decree, specifically no later than March 11, 2015.

- g. A description of any violation of the requirements of this Consent Decree, including any violation resulting from Malfunctions, any exceedance of an Emissions Limit, any exceedance of a 30-day rolling Average Sulfur Content Weight Percent or 365-day Rolling Average Weight Percent, or any failure to install, commence operation or Continuously Operate and Control Technology or any PM Early Warning System, which includes:**

- i. the date and duration of, and the quantity of any emissions related to, the violation;*
- ii. a full explanation of the primary root cause and any other significant contributing cause(s) of the violation;*
- iii. a root cause analysis of all reasonable interim and long-term remedial steps or corrective actions, including all design, operation, and maintenance changes consistent with good engineering practices, if any, that could be taken to reduce or eliminate the probability of recurrence of such violation, and, if not already completed, a schedule for its (their) implementation, or, if Defendant concludes that remedial steps or corrective actions should not be conducted, the basis for that conclusion.*

As documented in this report, no violations of the requirements of the Consent Decree were known to have occurred during this reporting period.

- h. If no violations occurred during a reporting period, a statement that no violations occurred**

As documented in this report, no violations of the requirements of the Consent Decree were known to have occurred during this reporting period.

- i. A description of the status of any permit applications and any proposed SIP revisions required under this Consent Decree**

No requirements of the Consent Decree were in effect, or came into effect, during this reporting period that required Cabot to obtain a permit or approval. Cabot has, however, conducted preliminary discussions with Texas Commission on Environmental Quality (TCEQ) regarding the permitting of the control technology installation at the Pampa Plant.

- j. A summary of all actions undertaken and Project Dollars expended during the reporting period, as well as any cumulative Project Dollars expended, and the estimated environmental benefits achieved to date in satisfaction of the requirements of Section V (Environmental Mitigation) and Appendix A**

Cabot was in full compliance with these requirements throughout the reporting period. Specifically, Cabot contacted the designated municipalities and informed them of the finalization of the Consent Decree. The scopes of the planned projects were reviewed with Johnson Controls Inc., who will be assisting Cabot with the

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implementation of these projects. Draft contracts have been written for the project work which will to be issued once final project scope is confirmed by the designated municipalities.

❖ Paragraph 12 --

Implementation of the Environmental Mitigation Projects has not commenced to date. Accordingly, no Project Dollars have been expended to date.

❖ Paragraph 13 --

No submittal of plans or reports was required during the reporting period.

❖ Paragraph 14 --

Cabot is not currently planning to contribute funds to another person or entity, other than our agents or contractors that will carry out the Environmental Mitigation Projects.

❖ Paragraph 15 --

Cabot is not currently otherwise required by law to perform the Environmental Mitigation Projects specified in Appendix A of the Consent Decree.

❖ Paragraph 16 --

Cabot has maintained and will continue to maintain, and will submit to USEPA and/or LDEQ, as appropriate for the projects being conducted in Louisiana, within 60 days of a request, all documents that substantiate the work completed on the Environmental Mitigation Projects or the Project Dollars expended.

❖ Appendix A --

Implementation of the Environmental Mitigation Projects has not commenced to date. Cabot will ensure the expenditure of Project Dollars and implementation of Environmental Mitigation Projects in accordance with all requirements of the Consent Decree.